



STATE OF CONNECTICUT
 DEPARTMENT OF SOCIAL SERVICES

Peter Hadler
 Deputy Commissioner

TO: CT Energy Assistance Program (CEAP) Interested Partners
 FROM: Peter Hadler, Deputy Commissioner
 SUBJECT: Energy Assistance Vendor Payment Standards
 DATE: October 23, 2023

The Department of Social Services (DSS) is pleased to provide interested parties with a status update regarding the recently passed legislation pertaining to energy assistance vendor payment standards (Public Act 23-204, section 295, amending section 16a-41a of the Connecticut General Statutes) as well as our planned activities for FFY 2024. Below please find the status of current standards and how they are being implemented:

Statutory Provision	Activity
Setting county and regional pricing standards for deliverable fuel	<p>The current Fixed Margin Pricing Program (FMP), as described in the approved FFY 2024 LIHEAP Allocation Plan, uses the daily OPIS gross Ultra Low Sulfur Red Dye Distillate price based on the New Haven terminal rack average, plus a fixed margin of 50 cents per gallon, plus a county differential that adds between 3 and 12 cents per gallon based on county.</p> <p>DSS recognizes concerns that our current county differential methodology is outdated and will be gathering information from multiple data sources, including oil pricing vendors and our deliverable fuel vendor partners during the FFY 2024 program year with an expectation of changing the regional pricing structure for the FFY 2025 program year.</p>
Reimbursing fuel providers based on the price of the fuel on the delivery date	<p>During the program year, prices for delivery are set daily using the most current rack price average available to DSS at the time of posting.</p> <p>DSS has consulted with neighboring states who all administer their FMP with the same fundamentals as Connecticut: daily posting of the next day's delivery price based on the terminal rack pricing received from oil pricing companies on the day of posting.</p> <p>Posting the price each day, based on the latest information available, allows fuel vendors to get delivery authorizations from the Community Action Agencies (CAAs) for the amount of fuel that can be covered</p>

	<p>under the CEAP benefit. This process allows for greater certainty in the amount of fuel to deliver and allows vendors to plan and map delivery routes.</p> <p>Fuel vendors are paid based on the date of delivery. If they are unable to deliver the day after receiving authorization from the CAA, the delivery price for the subsequent day is applied, again reflecting the latest wholesale pricing available. The price is not locked in on the date of authorization or the date of purchase from the wholesaler, rather it is based on the actual date of delivery.</p> <p>We recognize that prices can go up – or down – at various points during a day or over the course of two days, which we address by using the rack averages and by adjusting the prices each day.</p>
<p>Allowing a vendor to electronically submit an authorized fuel slip</p>	<p>The Department instituted this functionality during the 2022-2023 program year. For the 2023-2024 program year, the Department's administrative partners in the CAA Network will continue to offer this functionality and the Department encourages vendors to use electronic submission to facilitate faster processing and payment.</p>
<p>Making payment to a fuel vendor within 10 business days after receiving an authorized fuel slip or invoice for payment from the vendor</p>	<p>The Department instituted this functionality during the 2022-2023 program year. For the 2023-2024 program year, the CAA Network will continue to offer this functionality. Payments will be issued within 10 business days if the authorized fuel slip or invoice contains all required data elements. If the fuel slip or invoice lacks required data elements, the CAA will contact the vendor and identify the missing data elements.</p>
<p>Providing an electronic payment option</p>	<p>The Department instituted this functionality during the 2022-2023 program year. For the 2023-2024 program year, the CAA Network will continue to offer this functionality. Vendors are required to complete all documentation necessary to issue electronic fund transfer payments. The Department encourages vendors to use electronic payment options to facilitate faster delivery of funds.</p>

The Department is committed to gathering information related to regional variances in wholesale pricing and will be gathering and analyzing data during the upcoming year to inform the development of a new payment mechanism for the CEAP 2024-2025 program year.

We thank you for your continued partnership and look forward to a successful CEAP 2023-2024 season.